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Outlook for global GDP in light of the US Fed comments last week?

For the first time in a long time, we are in a position to see some sort of trajectory ahead because we have US and European GDP outlook numbers and also purchasing power and expectation indices from China. We should however remember that these big three economic blocs start from very different initial positions. In the US, we had a severe decline (almost 4%) in 2020, which is now being compensated for. The 6.5% projected growth rate expected for this year is a little lower than the Feds 7% but very close and the gap will likely be made up when supply bottlenecks open. China never had a decline, just a slowdown in growth, so it's waiting to go back to previous rates. Its purchasing power indices are close to 50% - if they were under that, it would be an indicator of an expected recession. Export and service orders and growth rates are also below what China would have aspired to. And finally in Europe, we had a double dip in growth - first in 2020 and then again at the turn of 2021 - and now quarterly growth is in the 2% range so it's still crawling out of the hole, slowly and evenly.

Anything to keep an eye on in the week ahead?

We are expecting more growth numbers to come in for some developing countries and we will also be looking at the vaccination situation very keenly. It's not such a simple picture. Europe and the US now seem to have a willingness to open their economies no matter what happens to Covid case rates because hospitalization and fatality rates are going down so much. On the other hand, we still have a slow vaccination rate in Asia and that may have something to do with the relative effectiveness of the Chinese medicine. But all in all, we are seeing the end of the pandemic in the sense that we are learning how to live with it without major clampdowns. We're seeing the beginning of that now and don't anticipate the same kind of winter which we had last year. ■

**Paraphrased comments*

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